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Message Text

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ACTION EB-07

INFO OCT-01 EA-07 ISO-00 L-03 CAB-02 CIAE-00 COME-00

DODE-00 DOTE-00 INR-07 NSAE-00 FAA-00 ARA-06 SS-15

H-02 PRS-01 TRSE-00 AS-01 /052 W
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R 280745Z JAN 76
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 6420
AMEMBASSY JAKARTA
AMEMBASSY CANBERRA

C O N F I D E N T I A L TOKYO 1251

E.O. 11652: GDS
TAGS: EAIR, JA
SUBJECT: CIVAIR: U.S.-JAPAN BILATERAL NEGOTIATIONS

REF: TOKYO 0617

1. SUMMARY: DURING FEBRUARY INFORMAL AVIATION TALKS JAPANESE WILL SEEK TRANS-PACIFIC FREQUENCY LIMITATION, ROUTE TO CHICAGO AND EFFECTIVE RIGHTS TO SOUTH AMERICA. GOJ HAS LITTLE TO OFFER IN RETURN ASIDE FROM CONTINUED RIGHTS FOR AMERICAN CARRIERS TO OKINAWA. THIS MAY THEREFORE BE OPPORTUNITY TO ACHIEVE SOME LIBERALIZATION IN GOJ'S RESTRICTIVE SUPPLEMENTAL CARRIER POLICY. TALKS MAY HAVE PSYCHOLOGICAL OVERTONES WHICH COULD BECOME MORE ACUTE AS GOJ REALIZES SCARCITY OF THINGS IT HAS TO OFFER. END SUMMARY.

2. DURING THEIR TRANSIT STOP IN TOKYO JAN.13 USCAB OFFICIALS INFORMED US OF UPCOMING US-JAPAN INFORMAL AVIATION TALKS TO BE HELD IN HAWAII FIRST WEEK IN FEBRUARY AND SUGGESTED EMBASSY SUBMIT ITS COMMENTS REGARDING SAME TO DEPARTMENT PRIOR FEB. 1.

3. IN OUR OPINION, GOJ WILL BE INTERESTED IN OBTAINING FOLLOWING:
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A) CAPACITY LIMITATION ON TRANS-PACIFIC ROUTES

B) ROUTE TO CHICAGO AND POSSIBLY WASHINGTON PROBABLY VIA SEATTLE

C) EFFECTIVE RIGHTS TO SOUTH AND CENTRAL AMERICA VIA
THE WEST COAST; I.E., ROUTE PLUS RIGHTS TO PICK UP
AND DISCHARGE PASSENGERS, CARGO AND MAIL AT OR
DESTINED TO U.S. POINTS ALONG ROUTE.

4. FOR THEIR PART, JAPANESE HAVE LITTLE TO OFFER US
EXCEPT FOR A) CONTINUED RIGHTS TO OKINAWA NOW DUE EXPIRE
MAY 1977, AND B) LIFTING OF CHARTER QUOTA RESTRICTIONS
IMPOSED ON US SUPPLEMENTAL CARRIER OPERATIONS. GOJ HAS
NOT BEEN WILLING DISCUSS SUPPLEMENTAL CARRIER OPERATIONS
AS PART OF GENERAL NEGOTIATIONS IN PAST, AND WE HAVE NO
REASON TO BELIEVE THEY ANYMORE AMENABLE TO INCLUSION OF
THIS ISSUE NOW EXCEPT FOR LACK OF OTHER THINGS TO OFFER.

5. FIRM OPENING DATE FOR TOKYO'S NARITA AIRPORT HAS NOT
YET BEEN SET (WE UNDERSTAND DATE SLIPPING TOWARD SPRING,
1977) AND APPROXIMATELY 30 INTERNATIONAL CARRIERS NOT YET
SERVING JAPAN WOULD LIKE TO DO SO. GOJ IS ALSO
ENCOUNTERING CONTINUING DIFFICULTY IN PERSUADING LOCAL
CITIZENS ALLOW INTRODUCTION OF WIDE-BODY AIRCRAFT OR
ADDITIONAL FLIGHTS INTO OSAKA AIRPORT THOUGH WIDE-BODY
PROBLEM REPORTEDLY WILL BE RESOLVED BY SUMMER/FALL
1976. AS DEPARTMENT AWARE OSAKA AIRPORT HAS RECENTLY,
OWING TO CITIZENS LEGAL SUIT, BEEN FORCED TO ADOPT ONE
HOUR EARLIER CLOSING (NOW 9:00 P.M.) AND THOUGH COURTS
HAVE MADE EXCEPTION AND ALLOWED INTERNATIONAL CARRIER
OPERATIONS UP TO 10:00 P.M. UNTIL MAY, GOJ IN NO
POSITION TO PROMISE ANYTHING AFTER THAT DATE.

6. EMBASSY COMMENT: THE "IMBALANCE" OR "INEQUALITY" IN
US-JAPAN BILATERAL AVIATION RELATIONS GIVEN HEAVY PUBLICITY
BY THE PRESS IS NOT MERELY A JOURNALISTIC DEVICE
BUT IS INTENSLY FELT BY RESPONSIBLE GOJ OFFICIALS.
THIS "INEQUITY" IS NOT PART OF THE TREATY ITSELF, BUT
RATHER IS ATTRIBUTED TO THE LIMITED RIGHTS GRANTED JAPAN
IN THE TREATY WHICH HAVE BECOME MORE RESTRICTIVE AS
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JAL'S CAPABILITIES AS AN INTERNATIONAL CARRIER HAVE
GROWN AND AS JAPAN HAS EVOLVED INTO THE WORLD'S THIRD
LARGEST ECONOMIC POWER. THUS THE GOJ FINDS ITSELF
PUSHING AGAINST AVIATION PARAMETERS WHICH HAVE BECOME
TOO SMALL IN TERMS OF JAPAN'S PRESENT INTERNATIONAL
STATUS AND FRUSTRATED BY THE FACT IT HAS LITTLE
OF IMPORTANCE TO BARGAIN WITH. AS JAPAN'S LACK OF
BARGAINING BECOMES APPARENT, PSYCHOLOGICAL SENSITIVITIES

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CAN BECOME GREATER.

7. SO FAR AS THE TREATY, RIGHTS, PRIVILIGES AND RE-
STRICTIONS CONTAINED THEREIN ARE CONCERNED, WE BELIEVE
JAPAN HAS A LEGITIMATE INTEREST, GIVEN THE NUMBER OF
JAPANESE WHO HAVE EMIGRATED AND THE VOLUME OF TRADE
(1974 TRADE WITH BRAZIL TOTALLED $2,046 MILLION), IN
OBTAINING EFFECTIVE RIGHTS TO SOUTH AMERICA.

8. THE GOJ WOULD REGARD CONTINUED EXCLUSION FROM THE
CHICAGO MARKET AS UNFAIR FOR TWO REASONS: A) JAPAN
IS EXCLUDED FROM AN AIRPORT ALREADY SERVED BY SEVERAL
NATIONAL CARRIERS AND B) JAL SEES CHICAGO AS A
POTENTIALLY LUCRATIVE SOURCE OF INCOME.
WE ESTIMATE THE GOJ PLACES MORE WEIGHT ON
SECURING RIGHTS TO CHICAGO THAN ON ONWARD
RIGHTS TO LATIN AMERICA BUT HAS NOTHING AS BIG
TO OFFER IN RETURN.

9. THE JAPANESE ARE ALSO BOTHERED BY WHAT THEY
CALL "INEQUITIES" IN THE PRESENT RELATIONSHIP:
TO WIT, U.S. CARRIER PASSENGER FREQUENCIES TO THE WEST
COAST OUTNUMBER JAL'S BY 7:4. WE ARE PUZZLED, HOWEVER,
BY THE GOJ'S CONCERN (PROMPTED, OF COURSE, BY JAL)
OVER FREQUENCIES AND/OR CAPACITIES ON THE TRANS-PACIFIC
SINCE THE STATISTICS AVAILABLE HERE INDICATE JAL'S
LOAD FACTOR TO HONOLULU AND WEST COAST IS HIGHER
THAN EITHER OF THE AMERICA CARRIERS. (THIS CONCERN
WAS REFLECTED AGAIN ABOUT A WEEK AGO WHEN TALKS BETWEEN
CHINA AIRLINES AND JAA, JAL'S 100 PERCENT OWNED SUBSIDIARY,
BROKE OFF WHEN AMONGST OTHER THINGS CHINA AIRLINES ASKED FOR 3
ADDITIONAL WEEKLY 747 FLIGHTS FROM TAIPEI VIA TOKYO TO
TO THE WEST COAST). WE BELIEVE, HOWEVER, THE GOJ
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SIDE WILL SEEK TO MOVE AWAY FROM A BERMUDA-TYPE TREATY
TO ONE WHICH CLEARLY LIMITS CAPACITY. SUCH A PROVISION
WOULD ACHIEVE THE "EQUALITY" OF SERVICE WANTED BY JAPAN,
HELP CONTROL AIR FARE "MALPRACTICES", MAKE LONG TERM
PLANNING CONCERNING THE NUMBER OF NEW CARRIERS AND
FLIGHTS EASIER, BRING THE US-JAPAN CIVAIR RELATIONSHIP
INTO LINE WITH PATTERN JAPAN WANTS WITH ALL
COUNTRIES, AND EASE THE WORK PRESSURE ON A SMALL
JCAB STAFF.

10. IN SUM: JAPAN HAS LITTLE "OF EQUIVALENT VALUE" TO
OFFER US. THEY WILL SEEK CAPACITY LIMITATIONS WITHOUT
ANY TRADE OFF, TRY TO EXCHANGE OKINAWA RIGHTS FOR
CHICAGO, AND SEEK EFFECTIVE ONWARD RIGHTS TO LATIN
AMERICA AS MERELY IMPLEMENTING PAST AGREEMENTS.

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